

UNIVERSITY OF GHANA

**AN ANALYSIS OF LOAN REPAYMENT BEHAVIOUR AMONG STUDENTS
LOAN BORROWERS IN GHANA**

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INTEGRI PROCEDAMUS

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DECLARATION

I, **RUBY LINDA OWUSU-ANTOH**, do hereby declare that this thesis, except for the references made to other works which have been acknowledged duly, is entirely my own work and neither part nor whole has been presented for any degree elsewhere.

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CERTIFICATION

I hereby certify that this thesis was supervised in accordance with procedures laid down by the University.

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DATE

DEDICATION

I dedicate this work to my parents Mr. Arthur Benjamin Lamptey and Mrs. Edith Angelina Lamptey, for their support towards my education. Their continuous encouragement is what has urged me on to this feat in my academics.

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LIST OF ABBREVIATIONS

GCB – Ghana Commercial Bank (Now GCB Bank)

GETFUND – Ghana Education Trust Fund

ISSER – Institute of Statistical, Social and Economic Research

NCTE – National Council for Tertiary Education

SLTF - Students Loan Trust Fund

SPSS – Statistical Package for Social Sciences

SSN – Social Security Number

SSNIT - Social Security and National Insurance Trust

UNSECO - United Nations Educational, Scientific and Cultural Organization

MEANING OF TERMS

Loans Due – Borrowers whose loans are outstanding

Finished Paying – Borrowers who have paid off their indebtedness

Still Paying – Borrowers who are currently servicing their loans

Not Paying – Borrowers who have not made any payment on their loans

ABSTRACT

The sustainability of the Student Loan Scheme in Ghana has been the downside of its operations since it was first introduced in 1971. The one major determinant of a successfully scheme is its ability to recover loans disbursed. In recent times, numerous government initiatives have resulted in the decline of government support to the scheme managers of the Students Loan Trust Fund (SLTF). This has called for appropriate strategizing of recovery activities by the scheme Managers in order to remain sustainable and relevant.

The study depended on both primary and secondary data to examine its objectives. The key objective of the study is to examine what influences the repayment behaviour among students' loan borrowers, using data from SLTF comprising of borrowers whose loans are due from 2008 to 2018. Primary data was also collected via telephone interview to try to establish the relationship between the knowledge of loan agreement and loan repayment.

The study used SPSS to present a descriptive analysis to examine the influence of gender, programme of study and knowledge of loan agreement, in addition to other secondary independent variables such as parental employment status and educational level, also the respondents and employment status.

The study's findings suggests that more males enrol in tertiary institutions than females, and as a result the analysis proved that more males made repayment than females. The study further finds that the higher the occupational level of borrowers after graduation the higher the rate of repayment. Borrowers were found to have knowledge about the loan agreement however, it was continued reminders that influence repayment behaviours. The study suggests that fund managers together with policy makers must strategize their reminders to borrowers in order to eliminate the lag in repayment and ensure sustainability.

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Economies around the world are driven by innovations developed and implemented by their skilled labour force. To achieve this skilled workforce requires that higher education institutions produce graduates with requisite job-relevant skills. Higher Education is seen nearly everywhere as a bane of economic growth, and a policy instrument for the development of individual economic mobility and social justice. (Johnstone, 2005) A nation stands to benefit from education greatly when its citizen attains higher education; in ways such as innovation and entrepreneurship.

The prospect of having critical thinkers, who can solve problems, is a goal for many economies. According to Hanushek and Wößmann (2007), attaining higher education has three mechanisms; it increases the human capital, it increases the innovative capacity and added knowledge required to understand and process new information and to accurately build new technologies.

In a 2008 UNESCO report, it was revealed that enrolment growth has outpaced financing capabilities where in Africa even though the support for the education sector has been around 20% of its public expenditure for the past 15years, the enrolment numbers have tripled by an annual average rate of 16% in the same period. People are appreciating the need for education and they do not have to worry about borrowing against future income due to greater returns on higher education. Lochner and Monge-Naranjo (2014) have also identified that the increasing cost of and returns to attaining a college education, have led to sizeable increases in the demand for a student loan, in many countries such as Kenya, Uganda,

Tanzania and Ghana. For as long as there is demand for the students' loan, the government will support the schemes, however, the repayment must be heightened to increase the supply.

Higher education began in Ghana in 1948 with the opening of University of Ghana, (previously called University College of the Gold Coast). To make it attractive and encourage enrolment it was made free for students with other incentives such as snacks to stay in school. As enrolment grew and the interest and benefits for higher education soared, the freebies were reduced and eventually stopped.

Governments have limited resources to meet a number of social needs, such as healthcare and housing along with education (Isamil, Serguieva and Singh, 2010). This situation is what led to the Ghana Government introducing the cost-sharing model in the public higher education sector, where students were made to pay for part of the cost of their education. Because of the benefit of an educated workforce to economies, many of the Students Loan Schemes in the world is government supported and were introduced to assist students to enrol in Higher Education (Hira, Anderson and Peterson, 2000). Most countries including Ghana have come to realize that they cannot rely solely on government budget as the source of tertiary students financing, and this has led to the need to make these schemes self-sufficient.

Students' loan was introduced in 1971 after the growing agitation by students calling for government support to cater for the high cost of education. The Ghana Commercial Bank (GCB Bank) become the first institution to disburse loans to tertiary students, however, due to the unstable political environment, the scheme lasted for only a year. In 1975, the scheme was reintroduced with Social Security and National Insurance Trust (SSNIT) as the new managers. SSNIT managed the students' loan scheme through to 2006/2007 academic year when the Students Loan Trust Fund (SLTF) was incorporated to take over management of

the scheme making way for SSNIT to concentrate on their core business of managing pensions.

A major reason for the change in the administrator is the repayment default rate, which led to the questioning of the schemes sustainability. GCB was engaged at the time because of its financial prowess as well as its coverage in the country, but because of the lack of sufficient data collected at the point of disbursing the loans, they were unable to recover the loans. SSNIT was engaged to solve the identity issues by providing every borrower with a Social Security Number (SSN) with the expectation that all graduates will end up in the formal employment bracket and will contribute to SSNIT, thus identification and the recovery of loans was assured. However, when graduates from higher educational institutions outnumbered the formal employment vacancies, the repayment default began to rise. This was partly because graduates who end up in the informal sector do not contribute to SSNIT thus, it was difficult tracing them after school. Secondly, SSNIT repayment effort was not rigorous, since students loan business was not their core mandate. The quest to find solutions to these challenges led to the establishment of Students Loan Trust Fund to solely perform students loan functions; that is disbursing and recovery of the students' loan.

1.1.1 Profile of the Study Organization-Students Loan Trust Fund

The Students Loan Trust Fund, an agency of the Ministry of Education was established in December 2005, under the Trustee Incorporated Act, the Students Loan Act, Act 820, came into being in 2011. The Trust Fund's mandate is to disburse loans to Ghanaian tertiary students offering accredited programmes (i.e. diploma, first degree and some professional courses) in both public and private accredited educational institutions. The Fund also recovers the loan when beneficiaries successfully complete their courses of study.

Prior to the 2011/12 academic year, the loan amounts disbursed were programme- based. Thus, loan amounts were based on the Humanities and the Sciences. From the 2011/12 academic year, the loan amounts were disbursed based on the Means Testing Methodology.

The scientific Means Testing methodology employed by SLTF assesses the financial needs of the borrowers based on information they have provided on their socio-economic characteristics or background and subsequently assigns them a loan amount based on the outcome of the financial needs assessment. Information obtained from the SLTF indicated that, since its inception in 2006/07 to the end of 2017/2018 academic year, a total amount of GH¢ 410,000,000.00 has been disbursed to 125,000 beneficiaries. On the average, fresh students that join the loan scheme each enrolment year is approximately 11,000 applicants.

The SLTF has contributed greatly to the increase in enrolment in tertiary education in Ghana especially making access to higher education possible for students coming from low-income families.

However, repayment has not done too well so far. In an SLTF annual report, total borrowers who are due for loan repayment from inception to 2018, constitute about 51% of the total loan portfolio.

The main source of financing for the Trust Fund comprise up to ten percent (10%) of inflows into the Ghana Education Trust Fund (GETFund); one percent (1%) of monies taken from the Communication Tax and Loan Repayments. The GETFund in recent times has experienced a decrease in budgetary allocation. The decrease in GETFund allocations and its effect on the SLTF has necessitated the need to find sustainable means of managing the fund as well as explore other sources of funding to complement GETFund receipts. This may seem a very herculean task as the financial aid assistance to the country has reduced since Ghana moved to the lower middle-income bracket. Table 1.1 shows disbursement

amount and the total inflows for each year, the trend indicates that recoveries contribute to more than half the disbursed amount. This is where rigorous recovery activities must be employed; currently, the Trust Fund has set aside the month of May as Repayment month. In this month every effort is made to reach loan beneficiaries and remind them of their obligation. Some of the activities included media engagement and publication of loan defaulters.

Table 1.1 Disbursement and Funding inflows

DISBURSEMENT		SLTF Funding Source				
Academic Year	Total Amount Disbursed (Ghc)	GETFUND	CST(1%)	REPAYMENT	GOG SUPPORT	TOTAL
2010/11	13,916,440	12,000,000		497,175		12,497,175
2011/12	10,108,173	13,620,000		1,983,869		15,603,869
2012/13	8,072,857	3,380,000		6,034,283		9,414,283
2013/14	15,228,036	37,500,000	1,739,789	8,132,339		47,372,128
2014/15	22,001,753	5,000,000	2,166,005	12,492,195		19,658,200
2015/16	28,939,831	26,000,000	4,065,921	15,284,023		45,349,944
2016/17	54,672,002	25,000,000	677,012	17,722,641		43,399,653
2017/18	78,952,197	20,000,000	2,343,729	27,000,000	20,000,000	69,343,729

Source: Students Loan Trust Fund Report 2018

1.1.2 Loan Repayment Period & Modalities

As stated in the SLTF Act 820, the Fund is expected to revolve to make every eligible applicant enjoy the benefits. As more and more senior high students complete, the expected demand for financial support to further their education increase. Previous Managers of the scheme disbursed the loans to students in the public universities only, however with the limited space in the public universities and the government agenda to assist every citizen to attain higher education, the coverage was widened to include accredited private institutions.

In 2009 the loan reached its full cycle with the first batch of borrowers, who pursued various 3-year programmes in the Polytechnics (now Technical Universities) completed school. And in 2011 all loans disbursed since the establishment of the Trust Fund in 2005/06 academic

year was due for loan repayments. The scheme has continually appealed to borrowers to repay their loan in order to be able to disburse to future generations. There has been varying measures to get borrowers to repay their loans, some of the measures are increasing the collection point to wide network banks, employer deduction, electronic payment such as mobile money etc.

Even with the extended loan repayment period as shown in (Table 1.2), there is still a high default rate, many of the borrowers have not made any attempt to repay the loan while others have made some repayment but have defaulted in some. According to an annual report of SLTF the total loan portfolio stands at GHS 364,251,354.00, and out of which total loans due is GHS 44,200,000.00. The non-performing loans stand at 38% of the total loans due; there has however been a steady rise in recovery collected since the full recovery started.

Table 1.2 Loan Repayment Period

Number of Loans taken	National Service Year	Additional Grace Period (Years)	Repayment Period (Years)
1	1	1	2
2	1	1	4
3	1	1	6
4	1	1	8
5	1	1	10
6	1	N/A	10
7	1	N/A	10

Source: Students Loan Recovery Policy

Loan repayment strategy has been to send reminders to borrowers and wait for payment, this does not factor in the assessment of those who are likely to pay and those who are not. The behaviour of the borrowers is not known therefore repayment is not targeted, when the behavioural pattern is known targeted approaches may yield to higher recoveries.

1.2 Research Problem

The major expectations of all Government with regards to students loan financing are; ability to mobilize huge funds in a short time, with the repayments of loans by the graduates; to reach a point where government can do away with budgetary allocations for the support of these schemes making them self-financing with the revolving fund and eventually withdraw all financing. (Johnstone 2006). The growing overdue repayment rate is as a result of various economic factors in the country, such as uncertainty in securing a job after graduation and a high unemployment rate.

The Students Loan Trust Fund, (SLTF) operates a mortgage-style loan like many other loan schemes both in the developed and developing countries (Isamil *et al*, 2010). For the mortgaged style of loan scheme, practised at the Trust Fund, repayment is due when the borrower has completed the moratorium year, a loan is overdue when the fixed monthly payment has not been made, and a loan is said to be in default when no payment has been made on the loan at the end of the repayment period.

Students are not required to make repayment during their study period; they are however expected to complete repayment in a stipulated number of years depending on the number of loans taken. Repayment of loans has never been a pleasant activity to any borrower and can even be more daunting where there has been a moral hazard situation.

Baum and Schwartz (1988), have in the past identified that increasing awareness of the need to repay the loan among university students influences loan repayment. The developing attitudes towards students' loan repayment have also been observed in many western societies. (Volkwein and Szelest, 1995).

Despite, the support students' loan has offered students, in the financing of their education, concerns about repayment are growing leading to the fund managers seeking a solution to

what the future of the students' loan schemes would be when grants from the government are no longer adequate or unavailable. While there are studies on the impact of student's loan on the enrolment of students in tertiary education, few have researched on the impact of students' loan repayment on the viability of the student loan scheme. *The study of behavioural patterns of borrowers on students' loan repayment will be helpful in developing and designing best repayment strategies to tackle the issues. This research work, therefore, seeks to explore the perception of borrowers on loan repayments and generally analyses the loan repayment behaviour of students' loan borrowers in Ghana.*

1.3 Research Purpose

The benefit of the Students Loan Scheme cannot be overlooked; however, its sustainability is threatened by the funds available as against the number of students who need financial assistance. The attitude to repayment to the scheme is questionable. Christman (2000) asserted that borrowers possess certain characteristics that explain why they default on their loans, as well as influence their attitude toward debt. A study by Abu Bakar, Masud and Jusoh (2006) finds that overall the respondents have negative attitudes towards loans and loan repayment. Hence, the negative attitudes and perceptions may affect the repayment of the loan once they graduate. The purpose of this research is to analyse the behavioural patterns of borrowers during the repayments of their loans and what can be done to ensure repayment collections increase to support the Trust Fund in becoming a viable revolving fund and the possibility of weaning itself from government allocations and help promote higher education for economic growth and development.

1.4 Research Objectives

- i. To establish how gender influences loan repayment.
- ii. To identify how the programme of study influences students' loan repayments.
- iii. To find out the influence of borrowers' knowledge of the loan agreement on loan repayment.

1.5 Research Questions

- i. How does a borrower's gender influences loan repayment?
- ii. Does the programme of study of a borrower influence his/her loan repayment behaviour?
- iii. Does borrower knowledge of the loan agreement influence their repayment behaviour?

1.6 Significance of the Research

Various researches have focus on the financing students in higher education in general and specifically on the students loan schemes, however, most have been in Europe or the Americas (Hilman, 2015; Hawkins 2017), there are others that also focus on the comparative analysis of the various loan scheme across the world (Lochner and Monge-Naranjo, 2014). The studies on students' loan in Ghana, have also centred on the operations of students loan, demand or access to the students loan and more particularly on loan disbursement (Yusif and Yussof, 2010; Tonyi, 2012); few have explored the supply side of the students loan with respect to the repayment module and ultimately the sustainability of the loan scheme. This study seeks to identify some traits that influence borrower repayment behaviour. This will also serve as material for future research subjects, as variables other than what will be considered in this research become more important in the repayment behaviour of borrowers.

In practice, this research will reveal to SLTF and other private students' loan providers how gender, a programme of study and the borrower knowledge of the loan agreement influence loan repayment behaviour.

To policymakers of the scheme, this will provide an insight to borrowers' behaviour and provide them with guidelines on how to strategize to improve the loan repayment collection to ensure the sustainability of the loan scheme.

1.7 Scope of the Study

The study is particularly restricted to borrower behaviours to students' loan and the sustainability of the scheme. The unit of analysis is limited to borrowers due for repayment from 2008 to 2018 selected from the Students Loan Trust fund portfolio also 100 beneficiaries were sampled on the influence of knowledge of the loan agreement on repayment.

1.8 Research Limitations

Time will be a major limitation with the combination of work, lectures and this study and hence affect the sample size. A not so large sample size may limit the other variables that may influence the repayment behaviours of students loan debtors, since it will limit the input from other beneficiaries, however, though this may be a subjective selection, the results from the study would not in any way influence the generalization of the study. Age will not be a variable in this study because the subject of age is not seen as polite in the culture of the country. Resources will also be a limitation to the study.

1.9 Organization of Study

This study is organized under five main chapters. The first chapter covers the background, statement of the problem, Research objectives, Research questions, significance and organization of the study.

The second chapter deals with review of relevant literature. This chapter will cover concepts such as models on tertiary education financing and how programme of study, gender and knowledge of repayment agreement.

The third chapter contains the methodological approaches of the study. It presents the research design, study population, sample size and sampling techniques, research instruments, data collection techniques and tools, data preparation, methods of data analysis as well as ethical considerations. The fourth chapter presents the results of findings from the data analysis, presentations of findings and discussions of finding of the study. The fifth chapter gives the summary, conclusions and recommendations for policy decisions.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Student's loan schemes are popular among students' communities the world over, the favourable conditions that these mostly government supported schemes give make them attractive. The growing patronage is increasing the debt portfolio at an alarming rate in a study by (Hawkins, 2017), he recorded that America's total educational debt recently surpassed the \$1.3 trillion mark, while in developing countries such as Ghana, the success of loan recovery hinges on factors such as well-resourced recovery team, national identification system and full unemployment. A major contributor to the sustainability of students' loan schemes is the recovery of the loans disbursed.

There have been various research both theoretically and empirically on students' loan debt. This section is to synthesize the research relevant to this study which helps in identifying the gap in this area of research.

2.2 Theoretical Review

2.2.1 Human Capital Theory on Education

Education provides the key to development in every society based on its quality and quantity (Almendarez, 2010). Schultz (1963) also agreed by stating that increased investment in the human capital of a country increases the productivity and income of individuals. However, as government responsibilities multiply and citizens become aware of the benefits of higher education, students are expected to invest in their education since the outcome of this increase their bargaining power on the job market. The gains of education are for the state and individual; for the state, a well-educated labour force means an innovative skilled force

and increase in the tax revenue, since more people will work with their acquired knowledge. The individual gets added knowledge and personal development leading to higher income. Therefore, it is only prudent for students to bear part of the cost (Eurydice, 1999) that bring these benefits.

In as much as students are to bear some of the cost of their higher education, there are others who for reason of their income level will not be able to pay for their education. Government subsidized students' loan schemes such as the Students Loan Trust Fund bridges the inequality gap making available financial assistance to all tertiary students, who take education as an investment (Barr, 2009) against future income.

The efficient management of the scheme means the funds should be available to support future students. Loan recovery should be made vital if the continuous inflows of funds are identified as the lifeline to the sustenance of students' loan schemes.

2.2.2 Financing Tertiary Education

The quest for knowledge drives people to institutions of higher education, however, the rising cost of education poses a threat to applicants. Finding the funds to finance education is not an easy task since there is no certainty to future jobs, this uncertainty Oosterbeek (1998) say may make it difficult in getting loans from the commercial banks. Even though some of the commercial banks in Ghana have ventured into educational loan, their survival rate is very low as there are issues when it comes to repayment. According to Johnstone (2005), these factors, coupled with others has given rise to the need for student loans to have governmental sponsorship. He stated that the policy of cost-sharing introduced by Governments in higher education institutions are to encourage partnership in education through loan scheme to increase accessibility.

Cost-sharing in higher education is the transfer of part of the cost of education to the student and or their families; these are the tuitions fees, academic facility user fees, residential facility user fees among others. The growing numbers in the population and its related expenditure for other areas of the economy is becoming increasingly difficult for governments especially in developing countries to fully finance higher education. The financial support shortfall gave rise to the private sector involvement in education, with the advent of private universities. However, private universities are expensive for the student and their families, as compared to the less expensive but crowded public universities (Protapenko, 2002).

With the introduction of Free-Senior High School by the government in 2017, the number of applicants who will be applying for placements in the tertiary institutions in Ghana is likely to increase in the 2020 -2021 academic year, likewise the financing needs. The SLTF will have to position itself in readiness to be the financier of choice by the teaming high school graduate who will be applying for support to pursue higher education.

2.2.3 Students Loan Debt

Student loan debt has many unique features that distinguish it from other types of consumer debt (Delisle & Holt, 2015). Some of the features advocated by the SLTF is the low-interest rate as compared to what is offered at the commercial banks, the application process that does not include the provision of collateral and an extended repayment period.

The World Bank (2002) stated that higher education is the modern world's "basic education"; this explains the reason why the enrolment numbers are increasing in the institutions. The increasing enrolment is expected to lead to an increase in student borrowing. There are varying reasons, which goes into the students' decision to use debt as

the source of financing their education. Some of which are the low income of parents, lack of financial support.

Government support to students' loan schemes such as SLTF is social interventions that are to relieve the State from the burdens of educational expenditure. It helps support the students through school and delays repayment for a future period. It is expected that the borrowers will pay back their due loans without resistance as Macmillan (2006) states it, you borrow money when you cannot pay for higher education on your own, and repay when you can.

The students' loan debt will continue to increase for as long as education exist since the more a student borrow the higher the risk of default (Lochner & Monge-Naranjo 2004). Studies in Kenya for example, highlighted the default rate as 81% as of 2009 (Zaina, 2009). Whiles in the United States and Canada, the default rate stands between 16 - 17% in the Federal programs (Bertola, 2005).

2.3 Empirical Review

It is believed that the repayment of students' loan is influenced by many factors. Student loan repayment behaviours have been studied with many other variables that include career choice (Choi, 2014). They concluded that students' loan debt does not negatively affect career choice. On the contrary, Millet (2003) also studied the effect of the enrolment numbers per an academic year on the rate of repayment and discovered that undergraduate indebtedness is a deterrent to the application to graduate or first professional school. However, on the perceptions of debt (Baum and O'Marley, 2003) showed debt delays students returning to school. These studies were based on the borrower mind set even before they applied for the loan implying they may have considered repayment at the point of applying. This research will consider the behaviour of borrowers who may have applied for the loan and thought of repayment later. Other studies have touched on the effects of life

after school, Minicozzi, (2005) studied on the influence the attitude of an indebted workforce has on these schemes they borrowed from and also their individual life, the research concluded that an increase in students loan debt has a correlation with a percentage decline in wage growth; the desire to enrol in graduate school also make a borrower put on hold the repayment of students loan while pursuing an undergraduate course (Zhang, 2013).

Further research has identified that the burdens of one's marital status have consequences on the repayment of students loan (Givecha, 2012); the effects of race and gender on student indebtedness (Grable and Joe, 2006; Dwyer, Hudson and McCloud 2013) has also been studied with varying conclusions on the behavioural patterns of students loan borrowers, depending on the location of the research. These findings were mostly based on this variable alone without controlling for other variables, however, this study will include other variables such as parents employment status, parents educational background and borrower employment status in combination with the study objective to confirm or otherwise the empirical findings of previous research.

2.3.1 Gender

Socio-demographic characteristics have had major influences on the behavioural actions of individuals. Gender is one such characteristic that have been studied on in various research areas. Armstrong and Craven (1993) research on repayment default rate, concluded that because females care about the appearance they spend on their looks, therefore they are likely to default more as compared to males who are considered to have good command on financial issues. In later research, Shwartz and Finne (2002) agreed with (Armstrong and Craven, 1993) that females have much difficulty in loan repayment than males. They identified that the burdens of childcare and other social barriers are the reasons for their findings. Of the very few researches done on Ghana, Agyeman Manu (2016) also concluded

that males dominated his sample size of one institution because the number of females reduces as education goes higher.

In contrast, some researchers have concluded that the repayment rate is lower in males than females. Males are fond of eating outside of the home as compared to females, they also consider their entertainment more important than students loan repayment (Davis and Lea 1995) corroborating these findings Woo (2002) concluded that being female reduces the likelihood of default. Most of these researches were based on single institutions, however, this researcher seeks to identify the general trends of repayment behaviour in relation to the gender of borrowers using a sample of the portfolio of the Students Loan Trust Fund.

There are varying results on the effect of gender on student loan repayment. Flint (1997) study perceived that males have a higher likelihood to pay earlier than female. However, other studies, on the contrary, have found that females are more likely to repay their loans as opposed to males. (Podgursky, Ehlert, Monroe and Watson 2002). Whiles Choy & Li (2006) found females took longer to repay loans than males.

Yet there are other studies which found no important distinction between females and males in loan repayment (Volkwein and Szelest 1995; Harrast 2004), even when post-graduation salaries of a female are comparatively lower (Shwartz & Finne 2002).

2.3.2 Programme of Study

The programme of study a student does in school influences their repayment behaviours. In disbursing students' loan, SLTF has considered the programme of study of the applicant in the amount advanced to them. Pre-Means Testing Mechanism, borrowers were solely paid based on their programme of study and also with the introduction of the means-testing it is one of the key factors in determining how much an applicant will receive. The effect on how much a borrower received determines the debt incurred and therefore the repayment

behaviour. The fees and other course materials of certain programmes account for this. Harrast (2004) as quoted by (Rappa, 2012) found that studying majors such as computer engineering, risk and insurance management or Special Education is associated with higher debt levels. This research will focus on some of the popular course in the tertiary institutions and how it affects the loan repayment behaviours among student borrowers in Ghana.

Another way a programme of study can affect repayment behaviour is the -post-graduate earnings of a borrower (Herr & Burt 2005). If a borrower secures a well-paying job, repayment becomes easy or less stressful. However, if the current career path of a borrower is not related to what they studied, the behavioural pattern may vary from these findings. The greater the incongruence between a students' field of study and field of current employment, the higher the risk of default (Flint 1997).

The finding of this study may differ from previous studies as much as a programme of study is a key factor in the amount a borrower receives, SLTF allows borrowers to decide the number of loans taken throughout their study time.

2.3.3 Knowledge about Loan Agreement

There have been very few studies on this variable. This variable refers to how information on the repayment process is disseminated to borrowers and how this information influences the repayment behaviour of borrowers. The Loan Agreement is the legal contract between the Loan Scheme and the borrowers, it spells out the interest rate on the loan, duration of the loan among others. This information is given at the time of applying in order to make borrowers aware of the obligations at the time of applying for the loan. Abu Bakar, Mashoud, Md Jusoh (2006) found that in general, University students have knowledge towards loan agreement and loan repayment.

In Tanzania, research showed that 75% of respondents were willing to pay their loan after school while the remaining 25% were unwilling to pay the loan (Nyahende, 2013), this finding is despite the fact that they were made aware of their repayment obligations before application. The individual student is found not to relate his or her own behaviour to the worsening of the loan default. However, empirical results show that, though the majority of students have some knowledge about the loan agreement; there are some beneficiaries, who do not have basic facts about the student loan they received. In a related study earlier, Volkwein, Szelest, Cabrera, and Napierski-Prancl (1998) specified that lack of knowledge about repayment is not a strong factor in default, this is because 93% of survey borrowers knew that the loan has to be repaid. However, one out of four students is confused about the loan repayment process. The conclusion of these studies, however, does not match the repayment rate among borrowers. This study will seek to identify to what extent the knowledge of the loan agreement influences the behaviour of a borrower.

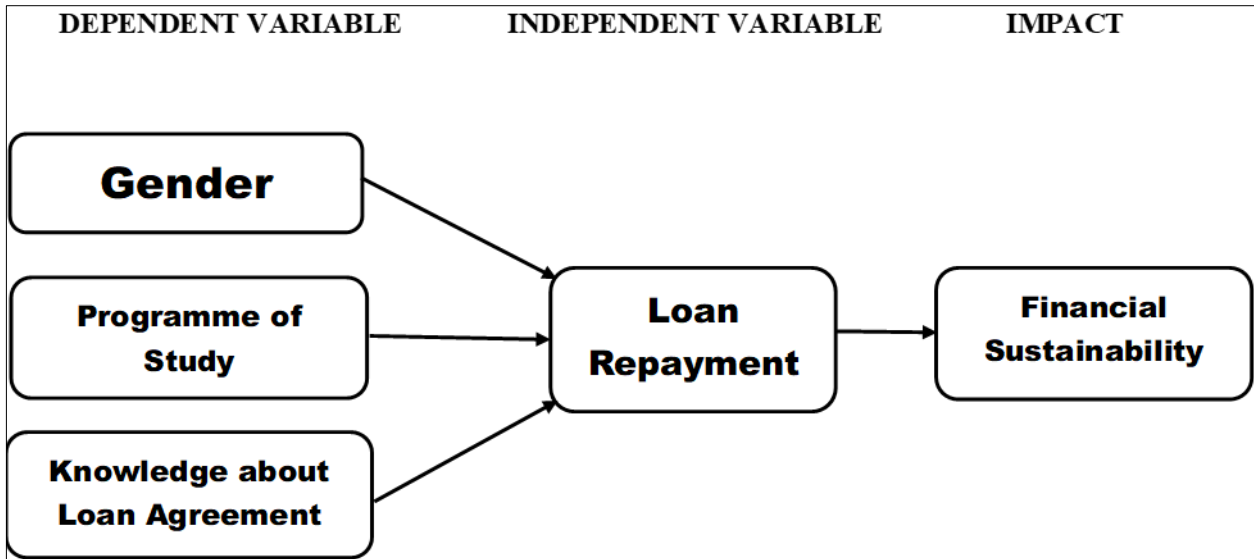
2.4 Conceptual Framework

This study on the repayment behaviour of students' loan borrowers can be expanded to the financial sustainability of students' loan schemes. The repayment of students' loan has been identified by research as the supply side of the scheme.

The study examines the influence of Gender, Programme of Study and Knowledge about the Loan Agreement on the repayment behaviours of borrowers.

The impact of these variables on repayment and its relationship to the financial sustainability of students' loan schemes can be illustrated in the conceptual framework in Figure 2.1

Figure 2.1 Conceptual Framework



Source: Author's Own Construct

Fig. 2.1 Shows that these borrower traits influence repayment of students' loan, it also illustrates relationship between student's loan repayment and the financial sustainability of the loan schemes. Jackson (2002) conducted a study in South Africa on how the students' loan schemes can be sustainable through repayment and observed that the recoveries collected when returned to the scheme make it possible to assist future generation students.

Based on the finding of the literature reviewed, the conceptual framework depicts that borrowers of students' loan repayment are affected by Gender, Programme of study and Knowledge about the Loan Agreement. Also as stated in Ghana's Students Loan Act 820, Loan recoveries is a key component in the sustainability of the Students Loan Trust Fund.

2.5 Summary of Reviewed Related Literature

From the discussions of literature, it is obvious that available literature replicates the fact that, though student loans exist in both developed and developing countries such as United States, United Kingdom, South Africa, Sweden, Tanzania and Kenya, there are different loan repayment modalities as well as factors that affect loan repayment behaviours.

The above synthesis has provided insight into the areas of students' loan debt management and has brought to bear that little research has been done on the repayment of students' loan in Ghana. The findings of the literature show the dependent variables were considered alone against the independent variable, whiles this research will control for other variables such as parental education and employment status, employment status of the borrower at the time of application, etc. A study of the repayment behaviour of students' loan borrowers in Ghana will provide the scheme managers insight into how to strategize repayment to sustain the Trust Fund.

CHAPTER THREE

RESEARCH METHOD

3.1 Introduction

This chapter presents the method used for research to arrive at findings that will help the researcher realize the set objectives for the study. The chapter begins with an outline of the research design and approach, the unit of analysis, study population, sample and sampling techniques. It also summarizes the data collection methods and instruments, techniques for data analyses, research reliability, validity and ethical considerations. To recommend a better approach to repayment structures for the Students Loan schemes and ultimately increase sustainability, this study will perform an analysis of likely behaviours of borrowers of the students' loan.

3.2 Research Design

A research design is a prudent and logical outline of the scientific procedures adopted in conducting a research (Saunders, Lewis & Thornhill, 2007). There are many research design or strategy that can be used in conducting research. Such methods can be an experiment, survey, case study, grounded theory and archival research (Saunders et al., 2007). It should be noted that no research strategy can be said to be the ultimate (Ahiadeke, 2008), every research strategy is to enable the researcher to answer the research question(s) and realize the set objectives of the study.

The study was cross-sectional design and had both explorative and explanatory techniques as it tried to explore and describe how variables like gender, programme of study and knowledge of the loan agreement influences borrowers' loan repayment behaviours.

According to Mugenda, & Mugenda (2003), descriptive research has definite structures which seeks to better describe or present facts about a phenomenon as it is in reality.

In this study, the researcher employed a multi-method approach (both quantitative and qualitative techniques). This methodology was employed so as to triangulate findings from the study, compare to achieve a greater understanding and fuller grasp of the issues under consideration (Ahiadeke, 2008).

3.3 Unit of Analysis

The unit of analysis comprises aggregated data of borrowers of the students' loan scheme from its inception until 2018 who are due for loan repayments, obtained from SLTF's database. The units of analysis were also made up of purposively selected key informants from SLTF as well as a total number of 20,094 borrowers for the secondary data and one hundred (100) simple randomly selected borrowers for the primary data.

3.4 Study Population

A research population is the total number of subjects to be considered, with the focus of the study been loan repayment behaviour of student borrowers, beneficiaries from all tertiary institutions (both public and private) in SLTF's loan portfolio constitutes the study population. However, the target population for the study comprised all borrowers on the students' loan scheme who were due for loan repayments since the inception of the fund until the end of 2018.

The reason why this target population was used for this study is that it entails the direct beneficiaries of the loan scheme and may have varied reasons why they are either paying or not paying the loan. This data was segregated into three (3) distinct categories of borrowers with rich characteristics the research questions. Namely, borrowers who are due and are

making loan repayments, borrowers who have finished loan repayment and those who are currently in default.

The study population also comprised key officials such as the Repayment and Recovery Manager of the Operations Department at the Trust Fund, who were purposively selected for key-informant interviews.

This official was selected to participate in this study because of the role played in the management of students' loan as well as in-depth knowledge and experience in loan repayments. The solicited views would then be juxtaposed with responses from students' borrowers who were interviewed to corroborate and complement the information obtained.

3.5 Sample Size

There is a need to also make sure that the right number of respondents are obtained for analysis. The choice of sample size influence the statistical test that will be employed, hence the conclusion for the study (Hair, Black, Babin, Anderson, and Tatham, 2006). Economically it is not feasible to seek the views of every student's borrower or management involved in student loan repayment.

In relation to this study, a sample size of 20,094 was considered for the analysis of the influence of gender and programme of study, while 100 was considered for this analysis of the influence of Knowledge of the loan agreement. The varying sampling size is because, for the influence of knowledge of the loan, primary data was collected for the analysis,

The size of the sample was based on constraints that include limited time for final submission of the research report and limited financial resources. The Repayment and Recovery manager of SLTF was also be added to the sample size.

The 100 students' loan borrowers, samples size consist of 40 student borrowers who have finished paying their loan students, 30 students' loan borrowers still paying their loan and

30 student borrowers who have not paid any of their loans up to date. Notwithstanding, the sample size was sufficiently large to allow for statistical analysis and generalization to the entire population.

3.6 Sampling Procedure

Generally, the idea of sampling is based on the selection of some elements in a population usually due to the fact that the population is too substantial for the researcher to attempt to study all its individuals (Cooper & Schindler, 2014). The sample, therefore, reflects the characteristics of the population and may be used in drawing conclusions about the entire population (Cooper & Schindler, 2011). SLTF was contacted to provide a list of student borrowers whose loan payment behaviour is yet to be determined. Initial contact was made to all the identified student borrowers via telephone inviting them to participate in the survey.

Multiple sampling techniques with four sampling methods were used—purposive; cluster, and systematic sampling were used in selecting respondents for the study. Purposive sampling was used to select only respondents (student borrowers and staff of SLTF) who are directly involved in loan repayment and are direct stakeholders of the SLTF. Cluster sampling was employed to categorized student borrowers into three distinct groups – (1) student borrower’s still paying loan borrowed, (2) student borrowers who have finished paying loan borrowed and (3) student borrowers who have not paid any of the loan borrowed.

The rationale is to make the study have a fair representation of the three categories of student borrowers to avoid bias. After categorizing students’ borrowers, systematic sampling was employed to select respondents with odd numbers only from each category (sampling frame). This method was used to select two different set of student borrowers. One set for

the study and the other as a backup in case a member opts out in the course of the study. Students' borrowers who have not paid anything and student borrowers still paying their loan had their first 30th members with odd numbers selected as the sample size for the study from their category. Student borrowers who have paid all loans borrowed had their first 40th members with odd numbers selected as their sample size for the study. This same method was used to select respondents in the backup list also.

3.7 Data Sources

Three main sources of data were relied on for the study. Generally, the study relied on both primary and secondary data to provide answers to the research questions and objectives. The questionnaires formed the basis for the primary data. Primary data on loan repayment behaviour was collected from student's loan borrowers and the Repayment manager of SLTF. Secondary data related specifically to the subject understudied was also obtained from published journal articles and credible internet sources. The three main sources of data -student borrowers, Repayment and Recovery manager of SLTF and secondary data on loan repayment pattern were triangulated to answer the research questions. The rationale for triangulating the three data sources was to increase the credibility of the research findings, establish corroborating evidence, and provide multiple contexts to enrich the understanding of the research question.

3.8 Data Collection Procedure

A request letter was sent to the office of SLTF asking permission to obtain data on students' loan borrowers and to interview the Recovery Manager. Upon receiving the list (i.e. research population), borrowers were categorized into those that have finished paying, those paying and those that have not paid anything after school. After identifying and categorizing student loan borrower on the sampling frame, an initial contact was made with some of the identified

primary data respondents via telephone to brief them about the study and find out if they were interested in the study and also to invite them to participate in the survey. Due to the disperse nature of the location of the respondents, a telephone interview was a more convenient way and cost-effective way to administering the questionnaire for the research.

A questionnaire (appendix A) was design with both close-ended and open-ended questions for the collections of the primary data. Administration of questionnaires required some days to complete. Respondents from the initial phone contact though were engaged, promised and showed willingness to participate in the survey.

On the day of interview, respondents were called and taken through the set of questions. Before respondents were taken through the questionnaire, they were informed that they had the freedom to withdraw from the study at any point in time if they feel uncomfortable with the questions. Also, at each call, the student borrower is asked to confirm his or her repayment status (thus whether they are still paying, finished paying or are yet to make payment the loan) and compared to what we have on our list to make sure the data is accurate before interview starts. All participants were duly informed about the aims, methods, and benefits of the study. Student's borrowers were also made to understand that no action would be taken against them if they withdrew from the study. The telephone interview was conducted at the office of the SLTF and was smooth and successful without much hindrances. Respondents whose telephone lines was unreachable and those who turned down the invitation to participate in the study on the day of interview were replaced out of the 100 back up samples selected from our list of student borrowers. Respondent who could not provide all the answers to every question were also replaced with substitute in the back up list.

One-on-one interview was used in acquiring key informer data from the management of SLTF who was represented by the Manager in charge of Repayment and Recovery. A

meeting was arranged with the manager at his office to brief him about the study, find out if he was interested in the study and also to invite him to participate in the survey. The informer was then provided with a set of questions to help him prepare and familiarize himself with the research questions. The purpose was to give him enough time to prepare towards the interview so that he can respond to the questionnaire adequately.

3.8.1 Instrument for Data Collection

A structured mixed method questionnaire (consist of both close and open-ended questions) was employed as a data collection instrument. The reason for using a structured mixed questionnaire was to be able to compare (triangulate) findings from the study, gain in-depth understanding of the issued understanding. This tool was also preferred to corroborate and validate the results obtained from other methods, examine the research questions from different angle and clarify unexpected findings and potential contradiction.

3.8.2 Questionnaire Design

The research instrument (survey questionnaire) is divided into two parts which provided answers for the three research objectives. The first section of the questionnaire captured respondents' demographics such as age, gender, marital status, occupation, and years that respondents have been working and respondent's occupation. Section two of the questionnaire consists of both closed and open-ended questions and captured question relating to the loan and student borrowers' perception on of the loan agreement.

Two (2) questionnaires were printed and given to volunteer student respondent at the Accra Technical University to complete as a pre-test. This was done to ensure clarity of understanding of the questions. After pre-testing, some of the questions were reworded while others were changed to make them clearer.

3.9 Data Analysis

The study used both quantitative and qualitative data analytical techniques.

Quantitative data were analysed using the Statistical Package for Social Sciences studies (SPSS) software, version 19. Accuracy and precision were the main reason for the use of SPSS. Quantitative results were analysed using the software to produce frequencies and to test the questions and objectives. The close-ended questionnaire adopted made it possible to derived frequencies and to cross-tabulate responses. Graphs, pie chart, and a statistical table were used to present the analysis. Multiple linear regression tests were used to run the hypotheses using an error margin of 0.5.

Qualitative data from the study were categorized into themes and analysed in relation to the research questions. New themes were added based on the data obtained from the field. The data analysis involved transcribing the respondent's response to the research question outlined in the questionnaire.

3.10 Validity and Reliability

To ensure the validity of the instrument, discriminant validity was applied using construct correlations and cross-loading criterion while convergent validity was applied using factor loadings (Rezaei, 2015). Validity test was done to detect how well the results obtained fits theoretical expectations this was done by sharing the test questionnaire with research colleagues to ascertain the usefulness of the data. On the other hand, reliability by testing the questionnaire on 10 of the respondents, to be sure the questions were clear enough and that the responses were beneficial to the study. Corrections were made where necessary to ensure intended data was gathered.

3.11 Ethical Considerations

The researcher ensured certain ethical principles in conducting this study. Anonymity and confidentiality were guaranteed in the questionnaire administration and usage of the dataset obtained for the study. The secondary data obtained on borrowers whose loans were due was obtained in an aggregated form and devoid of all identities per information security, data privacy and data protection standards at the Trust Fund.

Again, all references used in the study were duly acknowledged. In addition, the key research objectives and the overall purpose of the study were made known to the respondents before proceeding with the key-informant interviews and questionnaire administrations.

3.12 Study Hypothesis

Based on the objectives of the study, the following hypothesis was developed to empirically test the measure of influence gender, programme of study and knowledge of loan agreement have on students' loan borrower repayment behaviour.

H₁: Gender of borrower's influence loan repayment

H₂: Positive relationship exists between gender of borrowers and loan repayment

H₃: Programme of study influence the loan repayment

H₄: Positive relationship exist between Borrowers programme of study and loan repayment

H₅: Borrowers fathers' educational level influences loan repayment

H₆: Borrowers father's employment level influences loan payment

H₇: Positive relationship exist between borrowers fathers educational level and loan repayment

H₈: Positive relationship exists between borrower's father's employment level and loan repayment

H₉: Borrowers mothers educational level influence loan repayment

H₁₀: Borrowers mothers' employment level influences loan repayment.

H₁₁: Positive relationship exist between borrowers' mother employment level and loan repayment

H₁₂: Positive relationship exist between borrowers' mother educational level and loan repayment.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter of the study outlines the analysis of data collected as well as their discussions on how they answer the research questions.

Pie charts, frequency tables and cross-tabulations were used for easy and clarity of results presentations to represent the quantitative data collected this is supported with discussions to the results, while the qualitative data collected were mostly analysed using in-depth analysis.

The focus of this study was to find out the loan repayment behaviour of students loan borrowers in Ghana with SLTF as a case study. It examines the influence of variables such as, gender, programme of study and knowledge of the students' loan agreement, have any statistical significance on students' loan repayments.

This chapter begins with a descriptive summary of borrowers' demographic characteristics including their gender, programme of study which are the primary variables and some of the second variable such as borrowers' employment status at the time of applying for the loan and the loan repayment status of the sample size.

There is a bivariate analysis, which comprised cross-tabulation of selected variables to find out if there is an association between them. The multivariate regression section analysed the selected dependent and independent variables and their relationship with loan repayment behaviour of the sample.

The qualitative data analysis conducted with the responses from questionnaires administered through a telephone interview. This was used to answer the research question on the influence the Knowledge of the Loan agreement deed have on the borrower repayment behaviour.

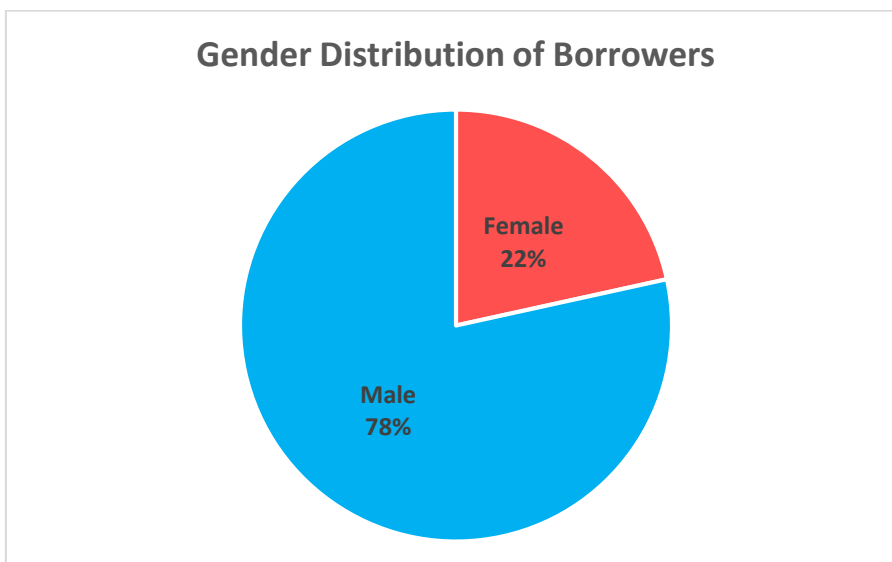
4.2 Borrowers Demographic Characteristics

The demographic characteristics of the borrowers provide background information about the borrowers' gender distribution, programmes of study, borrowers' employment status as well as their loan repayment status. These attributes are discussed in the ensuing section.

4.2.1 Gender of Borrowers

From the secondary data analysis, it was observed that majority (15,762) of the borrowers representing 78.4% were males, while 21.6% of them were females as illustrated in Figure 4.1 below. This finding corroborates with earlier information obtained from the Loan Repayment Manager that majority of the borrowers on the students' loan portfolio at the Trust Fund are males. Agreeing with a study by SLTF obtained from the National Council on Tertiary Education (NCTE) which indicates that there has been a consistent statistics of fresh enrolment at all tertiary institutions being more males than females from 2005/06 to 2012/13 academic years.

Figure 4.1: Gender of Borrowers.



Data Source: Survey Field Data, (2019)

4.2.2 Programme of Study of Borrower

Table 4.1 Programme of Study of Borrowers

Programme of Study	Frequency	Percentage (%)
Degree Education	674	3.35%
Degree Humanities	5,129	25.53%
Degree Science	2,255	11.22%
Diploma Education	6,242	31.06%
Diploma Humanities	428	2.13%
Diploma Science	99	0.49%
HND Humanities	3,793	18.88%
HND Science	1,466	7.30%
Professional	8	0.04%
TOTAL	20,094	100%

From table 4.1 above, it can be observed that majority of the borrowers from the sample obtained, with a frequency of 6,242 representing 31% were offering Diploma in Education followed by 5,129 borrowers offered Humanities, mostly social science and business-related at the Universities. Humanities in the Polytechnics (now Technical Universities) constitute 18% of the borrowers of the data sampled, Humanities in the Polytechnics study courses such as Hospitality Management, Marketing, Purchasing and Supply, Secretarial among others. The least programme from the data set are those who studied professional courses such as law, and accountancy, they make up 0.04%

As part of the key informant interview conducted with the Snr. Repayment Manager of the Trust Fund asserted that the first batch of students' loan beneficiaries who studied two and three years Business-related programmes such as HND Marketing were from the Polytechnics and as at 2011 the first batch of loans disbursed had reached its full cycle for collection.

Thus the expectation is that most of the beneficiaries from the Polytechnics would easily get jobs to quickly pay off their loans due to the professional nature of their courses of study as compared to their other counterparts in the Universities.

But this is not the current situation. Because it has been observed at the Trust Fund that due to borrowers from the Teacher training colleges are rather fulfilling their loan obligations

4.2.3 Employment Status of Borrowers

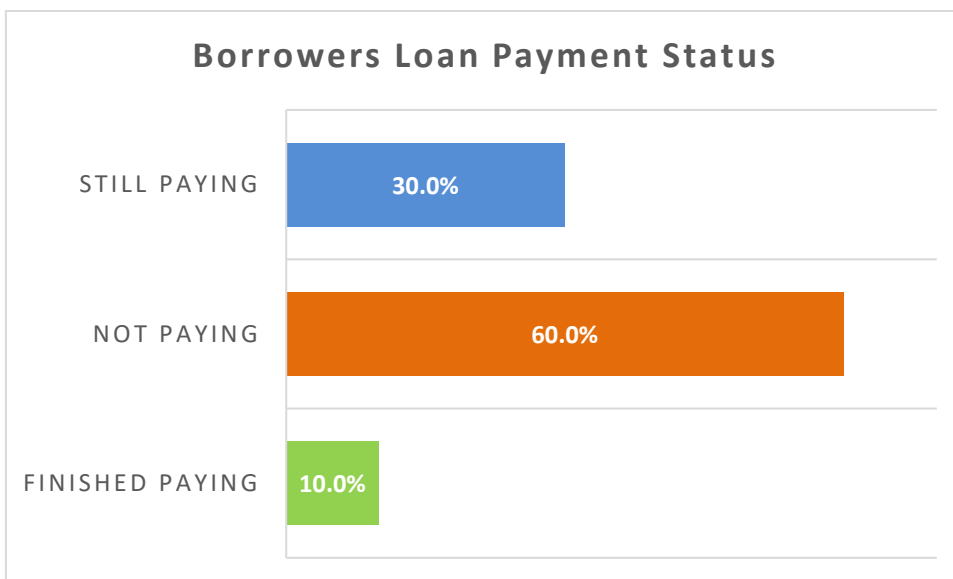
Table 4.2 Employment Status of Borrowers

Employment Status of Borrowers		
	Frequency	Per cent
Employed	1,759	8.8
Unemployed	18,335	91.2
Total	20,094	100

The data results indicated that only 8.8% of the sampled borrowers were working at the time of applying for the loan, whereas the 91.2% were not employed. This indicates that the majority of borrowers will depend on income after graduation in order to repay their loan debt.

4.2.4 Loan Repayment status of Borrowers

Figure 4.2. Loan Repayment status of Borrowers



Data Source: Survey Field Data, 2019

The sample data analysis revealed that majority (12,056) of the borrowers representing 60% are not paying off their loan, while 30% of the borrowers were found to be still paying. Unsurprisingly only 10% of the borrowers have finished paying their loans as illustrated in figure 4.2 above. This finding supports earlier key informant interview granted by the Repayment Manager, which indicates, that majority of the borrowers on the students' loan portfolio at the Trust Fund are people are either paying or not making any effort to fulfil their loan obligations. Similarly, findings from other studies have shown that, students loan schemes all over the world including Africa are bedevilled with the challenges of low loan repayments. Chapman (2005), found out that, forty (40) of the loan schemes operating in over 70 countries across the world have considerably low recovery rate.

4.2.5 Employment Status of the Borrowers

Whether one is economically active or not invariably affects their spending power and the payment of loan where necessary. The Researcher was interested in finding what percentage of the students' loan beneficiaries were working at the time of applying for the loan and if it would have an influence in their repayment behaviour. The data showed that the majority of the borrowers, constituting 92% on the students' loan scheme were unemployed, while less than 7% were fully employed.

It can then be inferred that the phenomenon would invariably affect the pattern of loan repayments at the Trust Fund. Therefore, a further bi-variate analysis of the relationship between the employment status and loan repayment status of the borrowers might reveal interesting findings.

4.3 Bivariate Analysis

In this section, cross-tabulations were used to compare the relationship between some of the background variables such as borrowers' gender and loan repayment status; borrowers'

gender, the programme of study influences students’ loan repayments and how borrowers’ knowledge on the loan agreement influences their loan repayment behaviour.

4.3.1 Borrowers Gender and Employment Status

The cross tabulation table below show borrower’s gender and their employment status. From the cross tabulation it can be inferred that majority of the borrowers irrespective of their gender were unemployed at the time of applying for the loan. This pre suppose that majority of fresh enrolment at the Tertiary level are students straight from the secondary level. About 93.8% of the female borrowers were unemployed while about 6.20% female borrowers representing 269 female borrowers were engaged in employment.

Table 4.3 Cross Tabulation of Borrower Gender by Employment Status at Application of Loan

Employment Status Cross tabulation			
	Employed	Unemployed	Total
Female	6.20%	93.80%	100%
Male	9.40%	90.50%	100%
Total	8.80%	91.20%	100%

4.3.2 Borrowers Gender and Loan Repayment Status

In trying to find out what kind of relationship exists between gender of borrowers and their loan repayment status, correlation analysis was run after the cross-tabulation in Table 4.4 below. From the results of the analysis it came to light that out of the 12056 borrowers not paying more (9943) were males. Again, borrower’s gender was later found not to have any significant relationship with loan repayment in a correlation analysis.

Table 4.4 Cross Tabulation of Borrower Gender Repayment Status

Gender by Loan Payment status -Cross tabulation

Gender	Loan Repayment Status			Total
	Finished Paying	Not Paying	Still Paying	
Female	687	2113	1532	4332
Male	1323	9943	4496	15762
Total	2010	12056	6028	20094

4.3.3: Programme of Study by Loan Repayment Status

It is commonly thought that borrowers who pursued Business-related programmes were more likely to secure jobs after completion of school and pay off their students' loans since the course duration is shorter.

As one of its prime objectives, the study set out to find out how a borrower's programme of study influences loan repayments. Therefore, cross-tabulation on the two variables as illustrated below in Table 4.5 was done.

To further confirm the findings, from the dataset, a correlation analysis was run on the previous programme of study of the borrowers' vis-a-vis their current loan repayment status. The outcome of the analysis indicated that there is an inverse relationship between the programme of study and the loan repayment status.

The duration of the programme of study invariably affects the loan uptake. This is because, for borrowers who studied Business-related programmes, their financial literacy informs their loan repayment behaviours.

4.3.4 Influence of Father’s Educational Level and Employment Status on Borrower Loan Repayment Status

The Table 4.5 on the fathers educational level by the borrower’s repayment status show that majority of borrowers who indicated that their fathers have no education made repayment as compare to those whose fathers had some form of education. 929 of the sample had finished paying off, whiles 3468 are making payment In contradiction this category of fathers also has the highest number of children (5500) not repaying at all. The least borrowers making repayment have their fathers attaining tertiary education or lower.

This finding indicates that the father’s educational level does not necessarily have any influence on the repayment behaviour of their children. It also revealed that borrowers will give false information on the poverty status to receive a higher loan amount.

Table 4.5 Cross-tabulation of father’s educational level and Loan repayment Status of Borrower

	Loan Payment status			Total
	Finished Paying	Still Paying	Not Paying	
Father's Educational Level				
Tertiary	150	224	1113	1487
No Education	929	3468	5500	9897
Professional	82	283	559	924
Technical/Vocational	849	2053	4884	7786
Total	2010	6028	12056	20094

In an additional analysis, the father’s employment status was run against the loan repayment status of borrowers, the findings also indicated that the employment status of the father does not have any significate influence on the borrower's repayment behaviour. As shown in Table 4.6 where the highest frequency of borrowers servicing their student loan debt is those whose fathers are unemployed. The finding also indicates that fathers with full-time employment

have a significant number of borrowers 1074 paying their loans as compared with those who are retired having 503 of borrowers making some form repayment.

Table 4.6: Cross-tabulation of Borrowers Fathers Employment Status and Loan payment

	Loan Payment status			Total
	Finished Paying	Not Paying	Still Paying	
Father's Employment Status				
Employed Full Time	393	2750	681	3824
Retired	118	1067	412	1597
Unemployed	1499	8239	4935	14673
Total	2010	12056	6028	20094

4.3.5 Influence of Mother's Educational Level and Employment Status on Borrower Loan Repayment Status

Table 4.7: Mothers Employment status on Borrowers loan payment status.

	Loan Repayment Status of Borrower			Total
	Finished Paying	Not Paying	Still Paying	
Mother's Employment Status				
Employed-Full Time	370	2556	672	3603
Retired	26	258	93	377
Unemployed	1609	9242	5263	16114
Total	2010	12056	6028	20094

Parallel to findings on the borrowers' father's educational level and employment statuses it was observed that there was no influence on borrowers loan repayment behaviour. From Table 4.7 above, it can be observed that majority (6332) of the borrowers making repayment be it full payment or part payment indicated that their mothers were unemployed. This result

can be inferred from the data analysis that borrowers understanding of employment may refer to formal job, thus parents engaged in petty trading or artisanal work were identified as unemployed.

However, there were more uneducated mothers than fathers which corroborates why there are more males in the tertiary institutions than females.

Table 4.8: Cross Tabulation of Mothers Educational Level and Loan Repayment

	Loan Payment status			Total
	Finished Paying	Still Paying	Not Paying	
Mother's Educational Level				
Tertiary	49	67	191	307
No Education	986	3763	5727	10476
Professional	54	115	299	468
Technical/Vocational	921	2083	5839	8843
Total	2010	12056	6028	20094

4.4 Multivariate Analysis

4.4.1 Correlation Coefficient of demographics characteristic and loan repayment

Correlational analysis table below shows a weak positive relationship ($r=0.04$) between gender of borrower and loan repayment. The correlation between the two variables were not significant ($p\text{-value} = .544$). This means that all things being equal, the gender of borrowers do not determine or influence loan repayment

Table 4.9: Correlation Coefficient of demographics characteristic and loan repayment

	Loan Repayment	
	Pearson Corr. R	P-Value
Gender of Borrowers	.004	.544
Borrower Fathers Educational Level	-.078	.000*
Borrower father Employment level	.027	.000*
Borrowers mother Educational Level	-.056	.000*
Borrower's mother Employment level	.029	.000*

** Significant at 0.05

While demographic variables such as borrower’s fathers($r=-.078$) and mothers educational level($r=-.056$) respectively showed a negative relationship with loan repayment, borrowers fathers (.027) and mother employment levels (.029) had a positive relationship with loan repayment. A strong relationship ($p\text{-value}=0.005$) was found between borrower’s mothers and father’s employment level and loan repayment. This means that all things being equal as fathers and mother’s educational status improves, loan repayment by borrowers will not increase and this relationship is very strong. With the exception of borrower’s gender, which did not have a significant relationship with loan repayment, all other demographic characteristics (borrowers’ father education level, borrowers’ father employment level, borrower’s mothers educational level and Borrowers mother employment level) had s strong correlation with loan repayment with a p-value less than 0.05.

Table 4.10: Multivariate regression results for Borrowers demographics and loan repayment

Predictor	Beta(β)	t-stats	P – value
(Constant)		92.662	.000
Gender	.19	1.847	.065
Prog. of Study	.000	15.860	000

Dependent Variable: **LOAN, REPAYMENT STATUS**; $R^2 = .012$; Adjusted $R^2 = .012$, $P < 0.05$; $N = 20094$.

Source: Field Survey, (2019)

The results indicate that out of the two independent variables included in the model, only gender ($\beta = .19$; $p = .065$) did not relate significantly with loan repayment. Based on this, the study hypothesis H_1 which reads “gender of borrower significantly influences loan repayment was rejected. A positive relationship was found between gender and loan repayment. Based on the beta results ($\beta = .19$), the hypothesis H_2 which reads “Gender of

loan borrower has a positive relationship with loan payment was accepted. The fitness of the model, R^2 value of .012 also means that the independent variables (Gender and Program of the study explains about 12 % variability in the model.

Further analysis showed that Programme of study ($\beta = .000$; $P = .000$) significantly influence the loan repayment. Based on that, the hypothesis H_3 : which reads ‘Programme of study significantly influences loan repayment was accepted. A positive relationship was found between Programme of study and loan repayment. This means the higher the Programme of study the higher the likelihood of paying one’s loan. The hypothesis H_4 which reads “Programme of study has a positive relationship with loan repayment was accepted.

Table 4.11: Multivariate regression results Borrowers Fathers demographic and loan repayment

Predictor	Beta(β)	t-stats	P – value
(Constant)		237.345	.000
F.ED.ST	-.026	-16.205	.000
F.EMP.ST	.036	12.352	.000

Dependent Variable: LOAN REPAYMENT STATUS; $R^2 = .014$; Adjusted $R^2 = .014$; $P < 0.05$; N= 20094

Table 4.11 shows a multivariate analysis of the effect of fathers educational and employment level and loan repayment. The results indicate that both independent variables- fathers educational level ($\beta = -.026$; $p = .000$) and father’s employment status ($\beta = .036$; $p = .000$) included in the model did relate significantly with loan repayment. Based on the study finding, the hypothesis H_5 and H_6 which reads “Borrowers fathers educational and employment level influence loan repayment “was accepted respectively. An inverse relationship was found to exit between father’s educational level and loan repayment, based on the beta for father’s educational level and loan repayment (-.026), the study hypothesis

H₇ which reads “ borrowers fathers educational level has a positive relationship with loan repayment” was rejected. The inverse relationship means that an increase in father’s educational level will not result in an increase in loan repayment.

The fitness of the model based on the R² value of .014 means the independent variables (fathers educational and employment level explains about 14 % variability in the model.

Further analysis showed a positive relationship (.036) between the father’s employment level and loan repayment. Based on the Hypothesis H₈, which reads, “positive relationship exists between borrowers’ fathers’ employment level and loan repayment was accepted.

Table 4.12: Multivariate regression results for Borrowers Mother Demographics and Loan repayment

Predictor	Beta(β)	t-stats	P – value
(Constant)		173.162	.000
M.ED.L	-.021	-9.584	.000
M.EMP.L	.019	6.658	.000

Dependent Variable: **LOAN REPAYMENT**; R² = .005; Adjusted R² = .005, **P < 0.05**; N= **20094**

Table 4.12 depicts a multivariate analysis of the effect of mother’s demographic characteristics (employment and education) on loan payment. The results indicate that of the two independent variables included in the model, mothers educational level (β = -.021; p =.000) and mother’s employment status ((β = .019: p =.000) relate significantly with loan repayment. Based on the regression results for mother demographic characteristics and loan repayment, the hypothesis H₉ and H₁₀ which reads ‘*Borrowers mothers educational and employment level influences the loan repayment*’ “was accepted respectively.

Further analysis showed a positive relationship (.019) between mother's employment level and loan repayment. Based on the, the Hypothesis H_{11} which reads, "*Positive relationship exist between borrowers' mother employment level and loan repayment*" was accepted. The positive relationship indicates that an increase in borrower's mothers 'employment level will result in an increase in loan repayment. Mother's educational level was found to inversely (-.021) relate to loan repayment relationship. Based on this, the hypothesis H_{12} which reads "*positive relationship exists between borrowers' mothers' educational level and loan repayment*" was rejected. The inverse relation indicates that an increase or improvement in mother's educational status will not results in increase in loan repayment.

4.5 Qualitative Data Analysis: Presentation of Findings

In seeking answer to the third research question "how does knowledge of loan agreement deed influences borrowers loan repayment behaviour" a structured questionnaire was administered to randomly selected borrowers within the three loan repayment status- finished paying, still paying and not paying.

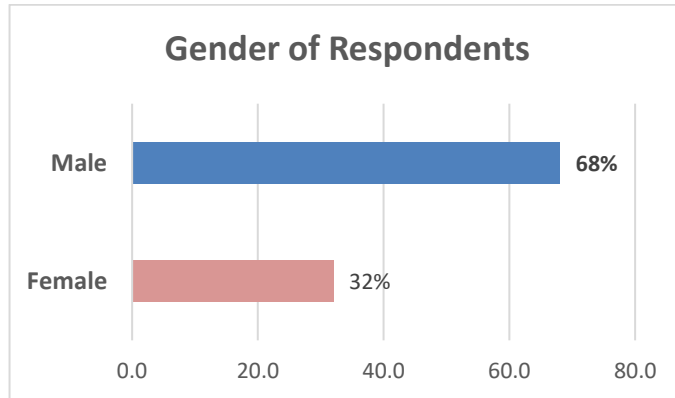
This section discusses analysis of qualitative data that was gathered from the study and related findings.

A total number of one hundred (100) questionnaires were administered of the questionnaire via a phone interviewing. The data collected were edited to identify and correct errors where necessary. The questionnaires were coded, after which the variables of concern were analysed. Themes and constructs with respect to the research objectives were developed to facilitate the analysis of relevant variables of the researcher's focus. Responses solicited from respondents which tends to measure the same concept or themes were grouped and duly analysed. The findings of the analysis were discussed with respect to background information of the respondents such as age; gender; programme of study, employment status and level of awareness of the loan repayment modalities the respondents.

4.5.1 Gender of Respondents

Data Analysis of the 100 respondents showed that 68 % were males and 32% were females as depicted in Figure 4.3. This follows same pattern as gender distribution in the secondary data obtained from the Repayment Unit.

Figure 4.3 Gender Distribution of Respondents

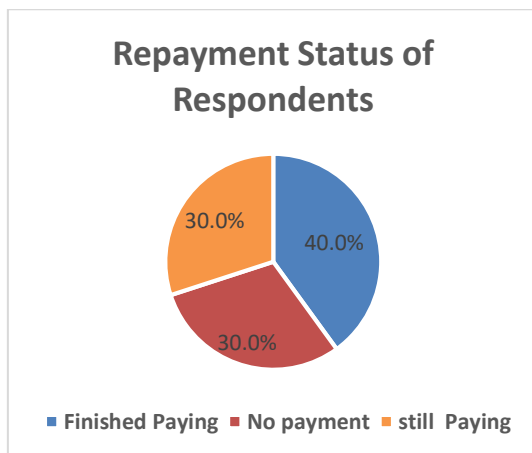


Source: Survey Field Data, July, 2019

4.5.2 Repayment Status of Respondents

The back-up of data ensured that all the one hundred (100) respondents the research expected to be interviewed was achieved. Out of the 100 respondents 40% had paid off their loan, 30% are still servicing their loans and 30% where yet to make any payment.

Figure 4.4. Repayment Status of Respondents



Source: Survey Field Data, 2019

4.5.3 Reading (Knowledge) of the Students Loan Agreement Deed

Knowledge or level of awareness of a service or product would influence its access and utilization. This same information seems to affect the behaviour towards that brand.

The Students' Loan Agreement Deed constitute a very important section of the students loan application form at the Trust Fund because it details the contract signed between the loan scheme managers and the borrower.

Copies of the Students Loan Agreement Deed of samples of completed loan application forms since inception of the Trust Fund for the various academic years, i.e. 2006/07 to 2018/19 was obtained by the Researcher. It was observed that, the Agreement details the duration of course (programme) of study, amount of loan facility, interest charges, interest calculations, terms and conditions concerning write off of the loan, pre-payment of the loan and termination of the loan while in school.

Again, the Agreement Deed spells out among others, the grace period, loan repayment period, defaulting in repayment terms and obligations of the guarantor and sections for signatures for both the borrower, as well as the guarantor and witness.

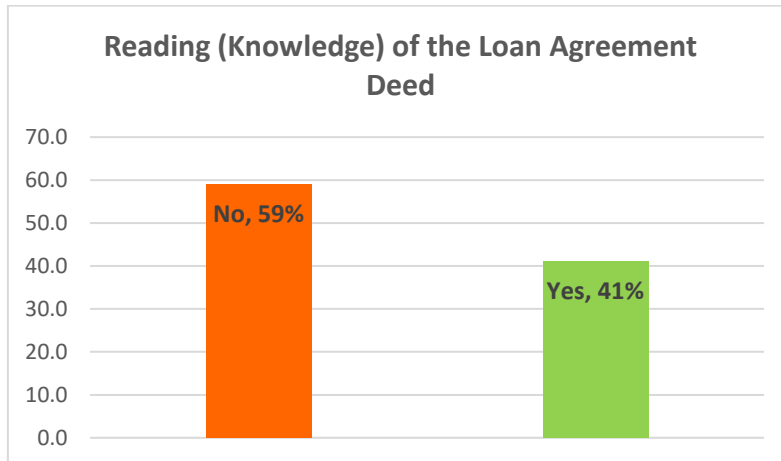
Therefore, it is very necessary that the borrower takes his/her time to thoroughly read through and understand the contents therein. Thus, the aprior expectation is that knowledge of the loan agreement deed could have some effect on the students' loan repayment of the borrowers.

In line with the above, the Researcher posed a question to solicit information on whether the student agreement was read by the borrowers' deed at the time of the loan application in relations to loan repayment.

It was observed from analysis of the primary data collected that; a little over half of the borrowers, constituting 59% of the total respondents of 100, indicated that they read the loan

agreement deed at the time of the loan applications. While a significant 41% of the respondents mentioned that, they did not read the students loan agreement deed as shown in figure 4.5 below.

Figure 4.5 Reading (Knowledge) of the Students Loan Agreement Deed

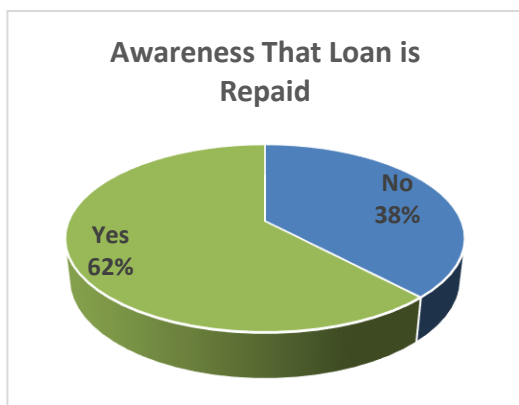


Source: Survey Field Data, 2019

4.5.4 Awareness that the Loan is to be Repaid

When the researcher enquired from the respondents whether they were aware that the loan is to be repaid, most of them, representing 62% responded in the affirmative as illustrated in figure 4.6 below. However, 38% of the total respondents answered “No” to that question. This observation does not necessarily represent a generalization of the loan repayment pattern at the Trust Fund.

Figure 4.6 Awareness that the Loan is to be Repaid



Source: Survey Field Data, 2019

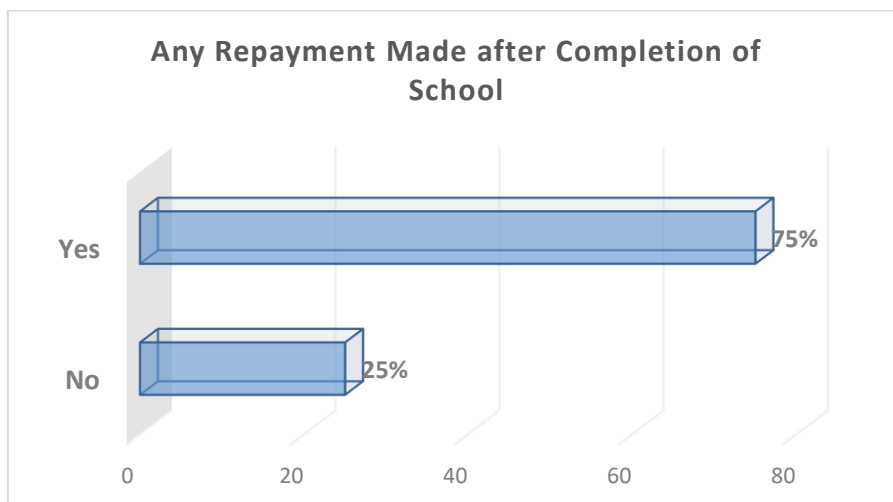
4.5.5 Made Any Loan Repayment after Completion of School

Information earlier obtained from the Repayment Unit of the Trust Fund shows that about 48% of the due borrowers are not making any loan repayment after completion of their studies coupled with challenges tracing those who end up working in the informal sector of employment where social security contributions are not made. The default in loan repayment partly was attributed to several socio-economic factors such as unemployment, long repayment period for the programmes of study courses with long study duration, attitude of the borrowers etc. towards deferred loan repayment.

Surprisingly, majority of the borrowers constituting 75% indicated that they have initiated some form of payment after completion of school. Only 25% of the total respondents of 100 answered in the negative.

Though this finding is a true reflection of the feedback obtained from the respondents who were surveyed, however, there is anecdotal report from the Trust Fund, that it is difficult tracing borrowers who end up working in the informal sector to repay their loans after completion of their studies. Therefore, this finding cannot be used to generalize the whole situation at the Trust Fund.

Figure 4.7 Made Any Loan Repayment after Completion of School



Source: Survey Field Data, 2019

4.6 Bivariate Analysis

4.6.1 Influence of Reading of Students Loan Agreement Deed on Loan Repayment after Completion

As part of the research objective, the Researcher set out to find out whether the knowledge of the students' loan agreement deed influences the loan repayment attitude of the borrowers. It came out from the data analysis of the 100 respondents that, about half of the respondents representing 43 %, indicated that even though they did not read the student's loan agreement deed have made some form of repayment. However, only 9% out of the total 25 borrowers who have not made a payment have read the agreement deed as depicted table 4.13 below.

Table 4.13 Awareness of Repayment by Borrower Repayment Status after Completion of School

Did Read Loan Agreement before signing (knowledge of deed)	<u>Borrowers Repayment Status</u>		
	No	Yes	Total
No	16	43	59
Yes	9	32	41
Total	25	75	100 (%)

Source: Survey Field Data, 2019

The above finding could be attributed to the fact that even though the borrowers might not have read the deed, they have made some form of payment or have been contacted by the SLTF to fulfil their loan obligations.

A probe was further made to clarifying whether the borrowers were contacted before making repayment. From table 4.14 it was observed that, most of the respondents were contacted about their repayment. Majority of the respondents comprising 53% who have made payment after completion of their studies were contacted. This finding confirms an assertion made by the Repayment Manager at the Trust Fund through the key information interviews

that, when borrowers are due for loan repayment, his Unit contacts them through various channels such as sending reminder notices through text messages and emails.

Again when the repayment goes into default demand letters are issued both to the borrowers and to their guarantors. Therefore, it stands to reason why the majority of the respondents who made payment after completing school were those who have been contacted by the Repayment Unit.

Table 4.14 Influence of Contacting of the Borrowers on Repayment

Were you contacted Before Repaying the Loan	<u>Have You Made Payment on the Loan After Completion</u>		
	No	Yes	Total
No	0	22	22
Yes	25	53	78
Total	25	75	100 (%)

Source: Survey Field Data, 2019.

Again, a follow up Chi-square test run was to determine whether by contacting the borrowers that influenced their loan repayment after completion of their studies as shown below. The test results indicated that a positive relationship between being contacted and making payment.

Table 4.15 Chi-Square Test: Influence of Contacting of the Borrowers on Repayment

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	9.402 ^a	1	.002		
Continuity Correction ^b	7.770	1	.005		
Likelihood Ratio	14.615	1	.000		
Fisher's Exact Test				.001	.001
N of Valid Cases	100				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.50.					
b. Computed only for a 2x2 table					

4.6.2 Influence of Awareness that Loan is to be Repaid on Loan Repayment Status

There are few studies on the relationship between awareness of repaying students loan and loan repayment, research has shown that the awareness of the loan obligation by borrowers is not a strong factor in determining their repayment behaviours. (Volkwein, et al 1998).

In relations to the above, the aprior expectation of the Researcher was that given a predictor such as awareness that the loan is to be repaid can influence the loan repayment status of the borrowers.

From the data analysis of the 100 respondents who were surveyed, it interestingly came to light that, majority of the borrowers representing 62% of the total respondents who indicated that they were aware that the loan was to be repaid are those who have actually either finished paying off their loan or were still paying. On the other hand, it was observed that most of the respondents comprising 28% who stated that they were unaware that their students' loan is to be repaid were those who have also not made any payment of their loans after completion of school as illustrated in table 4.16.

The findings also confirmed the finding of Volkwein et al. (1998) that the relationship is not positive.

Table 4.16: Awareness that Loan is to be repaid by Borrowers' Repayment Status

Borrower Loan Repayment Status (from recovery Unit)	Were You Aware Loan had to be Repaid		Total
	No	Yes	
Finished Paying	5	35	40
No Payment	28	2	30
Still Paying	5	25	30
Total	38	62	100

Source: Survey Field Data, 2019

Again a chi square test run on the predictor variable (awareness of loan that loan is to be repaid by the loan repayment status showed a positive relationship as depicted in the chi-square test results in table 4.17 below.

Table 4.17: Chi -square Test: Awareness of Loan Repayment by Borrower Repayment Status

Chi-Square Tests: Awareness that Loan is to be Repaid by Borrowers' Repayment Status			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	55.822 ^a	2	.000
Likelihood Ratio	60.942	2	.000
N of Valid Cases	100		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.40.

Source: Survey Field Data, 2019

Table 4.18: Awareness of Loan to be repaid by Borrowers Repayment Status after graduation

Were You Aware that the Loan is to be Repaid	<u>Borrowers Repayment Status</u>		
	No	Yes	Total
No	24	14	38
Yes	1	61	62
Total	25	75	100

Source: Survey Field Data, 2019

From the above table 4.18 it can be observed that a whopping 75% of the borrowers indicated that they were aware the loan is to be repaid. Out of that number, most of the respondents who indicated that they were aware of that the loan is to paid and have made some payment after completion of their studies constituting 61%.

On the other hand, majority of the borrowers representing 24% who stated that they were not aware that the loan is to be repaid have also not made any payment after completion of school.

This finding tends to confirm the fact the awareness of loan repayment has some form of correlation with loan repayment after completion of school.

4.6.3 Borrower current employment status

There is a sociological fact that there is a positive relationship between the highest educational level and employment status of an individual. Again, variables such as highest level of education, employment status, household assets and household economic burden etc. are some of the wealth indicators used in measuring a person's financial/wealth status. In relations to this, the Researcher sought to find out how the current occupational level of the respondents is related to repayment of the loan after completion of their studies. As expected, the observation made from the data analysis showed that majority of the respondents making repayment after completion were those with professional qualifications, representing 39% out of 45 borrowers who answered as shown in table 4.19.

On the other hand, out of the 14% of the respondents who were unemployed over half of them have not made any repayment since they completed school.

This finding leans towards a State of the Economy report by ISSER in 2015 that, on the average, it takes between 2-3 years after graduation for fresh graduates from the tertiary institutions to find their first jobs.

Table 4.19 Awareness of Loan to paid by Borrowers Repayment Status after graduation

Current Occupation level	<u>Repayment Made After Completion of School</u>		
	No	Yes	Total
Administrative	6	19	25
Technical	5	11	16
Professional	6	39	45
Unemployed	8	6	14
Total	25	75	100 (%)

Source: Survey Field Data, 2019

4.7 Key Informant Interview

4.7.1 Students Loan Repayment Mechanisms

Information gathered from the interview with the Snr. Repayment Manager at the Trust Fund indicates that there are various means by which borrowers can pay their loans. These include borrower payment at selected banks and the Trust Fund offices across the country, employer deduction, borrowers can also make an online payment by credit cards and mobile money payments.

Again he asserted that the lack of accurate and reliable data on some borrowers, particularly those who end up in the informal sector after completion of school tends to create challenges for tracking/tracing the borrowers when they are due for loan repayments.

This has invariably necessitated the need to propose other forms of verification and identification of applicants' details to facilitate loan recovery and also reach emigrated borrowers.

The month of May has been institutionalized as loan repayment awareness month to sensitise the public about the repayment modalities, modes of payment as well as the obligation of the loan beneficiaries to pay off their loans in order to make the Trust Fund sustainable.

It also came to light during the key informant interview that, in its bid to ensure the sustainability of the students' loan scheme for the next generations, there is the need to tackle the challenges faced.

4.8 Summary of Findings and Discussion

In the findings males constituted majority of the borrowers sampled. They were 78% while the females were 22%. This, however, tends to project the cultural bias of male dominance in Ghana that places importance of male child education over that of the girl child.

It also confirms the anecdotal assertion by some gender advocates that female students are well catered for by their families compared to their male counterparts. Hence, males tend to apply for financial support in whichever form including students' loan than the females and this reflects in their repayment behaviours.

Again, the Researcher set out to identify how the programme of study influences students' loan repayments. Findings from the research point to the fact that the programme of study invariably affects the loan repayment behaviour of the loan beneficiaries or borrowers. Borrowers offering Science-based programmes usually received high amount than their counterparts offering the Humanities, also the science programme often has long duration than the others. Because of these borrowers who studied science-based programmes have more debt after completion that understandable unable to honour their obligations easily.

The controlled variables which included the parents' educational level and parent employment status indicated that the loan repayment behaviour of the borrower is not

influenced by the parents' indicators. This is verified in the number of borrowers who have made payment in the research sample indicated their parents were uneducated.

The findings on the programme of study also indicate that studying a programme that equips the borrowers with practical skills guarantees some source of income which can influence their loan repayment behaviour.

The percentage of borrowers who said they had knowledge of the loan agreement in relation to those who have made repayment shows a positive relationship. However, the results of the analysis on haven been contacted before repayment indicated that as much, they were aware of their obligation, it was the constant reminders that made them fulfil their obligations.

The greater number, specifically 60% of borrowers not paying their loans could be attributed to various factors however, unemployment seems to be the major factor identified. It was also revealed in the key informant interview that those whose loans applications were processed from 2006/07 to 2010/11 academic years formed the majority of borrowers who have not made any repayment on their loan debt, due to the inability of the recovery team to make contact with them. This study encountered such a challenge during the telephone interview. The period identified was during the entry of mobile phone communications in Ghana, thus the applicants provided numbers belonging to family or friends.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.1 Summary

The repayment behaviour of students' loan borrowers in Ghana, as depicted in the study is characterised by many factors. Therefore, strategizing repayment policies should not have be a one size fit all approach.

Responses from some of the study sample, indicates students view the loan scheme as a form of free support from the government and therefore are not expected to be repaid. The Trust Fund will find it difficult recovering loans from such borrowers.

Borrowers do not consider the effect of providing dishonest needs assessment information when applying for the loan especially if that will result in receiving higher amount during disbursement. They would rather express unsatisfactory interest computation as the reason for the huge debt.

5.2. Conclusion

The benefit of the student's loan for tertiary students has not been disputed, but if the rise of indebtedness is not managed very well by operators of these schemes, they risk the sustainability of the programme and its effects on the development of human resource of the economy will be huge.

When full recovery is pursued, the scheme will become self-sufficient, allowing governments to channel its resources to other areas of the economy to promote development. This will also place the scheme in a viable position to provide for the financial needs of future innovators who enrol in higher educational institutions.

5.3. Recommendations

To the management of the Students Loan Trust Fund (SLTF), the government agency, are the administrators of the students' loan scheme in Ghana. This study recommends that they design various loan products for the various programme of study such allowing the borrower to repay the loan taken if they do not need it any longer whiles in school and also have the means to repay at the time.

It is recommended that borrowers are educated well on their obligations to repay their loan at the time of applying, to ensure such obligations are spelt out clearly in the agreement deed. The researcher also recommends that borrowers exiting the loan scheme are made to complete forms that will update their contact details and to provide additional next of kin to aid in the loan recovery process.

The study recommends to Policymakers to forge stronger ties with the tertiary institutions, various students' bodies and alumni to assist them in tracing borrowers, they should also collaborate more with employers and employments associations to ensure repayment of loans.

The scheme manager to ensure efficiency in recovery by equipping the recovery team with modern technology applications and equipment.

5.4 Limitations of Study

Due to data protection policies, data collected did not include certain information, thus affecting the generalization of the findings. Time and quality of data limited the use of regression which could have produced more finding other.

5.5. Recommendation for Further Research Study

In future, further study can be undertaken to analyse the other factors/determinants of students' loan default and its impact on the sustainability of the loan scheme in Ghana.

There is a need for more studies on the supply side of students' loan programmes to better understand the impact of it on the student and the economy.

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APPENDIX A - QUESTIONNAIRE

STUDENTS LOAN BORROWERS ATTITUDES TO STUDENTS LOAN DEBT

I am a student pursuing MSc. Development Finance at University of Ghana, Legon. As part of my academic research I wish to gather data on how student loan borrowers attitude to loan agreement information influence their repayment behaviour.

Your answers will be treated in the strictest of confidence, and will not be attributed to you in any analysis.

SECTION A: DEMOGRAPHIC QUESTIONS

1. What is your gender?

Female

Male

2. What is your age?

Below 25

25 to 30

31 to 35

36 to 40

Above 40

3. Marital Status

Yes

No

4. Number of dependents if applicable

5. What is your highest Educational Level?

Diploma

Other (Specify)

Degree

Masters

PHD

6. What is your current occupational level?

Professional

Administrative

Technical

Other (Specify)

7. How long have you been working

- Below 2years
- 3-5years
- 6-10years
- Above 10years

8. Where you in any form of employment before schooling

- Yes
- No

If Yes Specify

SECTION B: ABOUT THE LOAN

9. While in School, at which level did you apply for the Students Loan?

- Level 100
- Level 200
- Level 300
- Level 400
- Other (Specify)

10. What were some of the reasons for opting for Students Loan?

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11. Where you aware the students' loan had to be repaid

- Yes
- No
- Other (Specify)

12. Did you read the Loan Agreement Deed before signing the Loan application Form?

- Yes
- No
- Other (Specify)

13. Did the Deed clearly spell out all you needed to know about the repayment of the students' loan?

- Extremely clear
- Very clear
- Somewhat clear
- Not so clear
- Not at all clear

14. What other details would you have expected to see in the Loan Agreement Deed?

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15. Have you made any repayment on your Students Loan?

- Yes
- No

16. Where you contacted by the Students Loan Trust Fund before you made repayment

- Yes
- No

17. If No (to question 16), how did you get information on repayment?

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18. How will you rate the repayment process?

- Very easy
- Easy
- Not easy at all

19. Was the Students loan beneficial at the time you access it

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly Disagree

20. Do you have any other suggestion?

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